

STATE OF CALIFORNIA  
ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION

Rulemaking on Implementation of the Waste	)	Docket No. 08-WHCE-1
Heat and Carbon Emissions Reduction Act	)	Order Number 10-0407-20
_____	)	

**ORDER ADOPTING MODIFIED FINAL GUIDELINES**

**I. INTRODUCTION**

The California Energy Commission hereby adopts the Commission Modified Final Guidelines for Certification of Combined Heat and Power Systems (the Modified Final Guidelines<sup>1</sup>), according to the Waste Heat and Carbon Emissions Act (the Act), which is codified in Public Utilities Code section 2840, et seq., as enacted in California Assembly Bill (AB) 1613 (Blakeslee, Chapter 713, Statutes of 2007) and amended in AB 2791 (Blakeslee, Chapter 253, Statutes of 2008).

On January 27, 2010, the Energy Commission adopted Final Commission Guidelines<sup>2</sup> in this proceeding. At the January 27 adoption hearing, staff was asked by the Commissioners to further analyze whether a Bottoming Cycle Combined Heat and Power System should have a required efficiency of no less than 62 percent, as reflected in the Final Commission Guidelines, or a required efficiency of no less than 60 percent, as recommended in some of the written and oral comments made during the proceeding.

After further staff analysis, and per direction of the Electricity and Natural Gas Committee, the Final Commission Guidelines were modified to reflect a change in the required bottoming cycle efficiency level from no less than 62 percent, to no less than 60 percent. This was the only substantive change made to the Final Commission Guidelines.

Pursuant to Public Utilities Code section 2843, subdivision (c), substantive changes to the Guidelines may not be adopted without at least 10 days' written notice to the public. As such, the Modified Final Guidelines were published on March 17, 2010. On the same day, a Notice of Availability and Opportunity for Comment<sup>3</sup> was published, giving interested parties the opportunity

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<sup>1</sup> CEC-200-2009-016-CMF-REV-1 ([www.energy.ca.gov/2009publications/CEC-200-2009-016/CEC-200-2009-016-CMF-REV-1.pdf](http://www.energy.ca.gov/2009publications/CEC-200-2009-016/CEC-200-2009-016-CMF-REV-1.pdf)).

<sup>2</sup> CEC-200-2009-016-CMF ([www.energy.ca.gov/2009publications/CEC-200-2009-016/CEC-200-2009-016-CMF.PDF](http://www.energy.ca.gov/2009publications/CEC-200-2009-016/CEC-200-2009-016-CMF.PDF)). The Order Adopting Guidelines from that hearing (Order Number 10-0127-18, [www.energy.ca.gov/wasteheat/documents/2010-02-17\\_Order\\_Adopting\\_Guidelines\\_TN-55291.pdf](http://www.energy.ca.gov/wasteheat/documents/2010-02-17_Order_Adopting_Guidelines_TN-55291.pdf)) is hereby incorporated by reference in this Order Adopting Modified Final Guidelines.

<sup>3</sup> [www.energy.ca.gov/wasteheat/notices/2010-04-07\\_Commission\\_Adoption.pdf](http://www.energy.ca.gov/wasteheat/notices/2010-04-07_Commission_Adoption.pdf)

to file comments on the Modified Final Guidelines from that day until April 1, 2010. The Notice also announced a public hearing of April 7, 2010, to consider adoption of the Modified Final Guidelines.

None of the comments received during the comment period following publication of the Modified Final Guidelines on March 17, 2010, and nothing else in the record, justified any changes to the Modified Final Guidelines.

## **II. FINDINGS**

Based on the entire record for Docket No. 08-WHCE-1, the Energy Commission finds as follows:

- A. Public Utilities Code section 2843(a). The adopted Modified Final Guidelines require combined heat and power systems to meet, and will accomplish, all of the following:
  - (1) reduce waste energy;
  - (2) be sized to meet the eligible customer-generator's thermal load;
  - (3) operate continuously in a manner that meets the expected thermal load; and
  - (4) are cost effective, technologically feasible, and environmentally beneficial.
- B. Public Utilities Code section 2843(c). The Modified Final Guidelines have been adopted:
  - (1) pursuant to a publicly noticed adoption hearing, offering all interested parties an opportunity to comment;
  - (2) with at least 30 days' public notice given of said adoption hearing; and
  - (3) with at least 10 days' notice given of substantive changes to the Guidelines prior to the adoption hearing.

## **III. ADOPTION OF MODIFIED FINAL GUIDELINES FOR DOCKET 08-WHCE-1**

The Energy Commission, after considering the entire record, hereby adopts the Modified Final Guidelines as published on March 17, 2010.

## **IV. CONTINUATION OF DELEGATION OF AUTHORITY TO THE COMMITTEE**

The Energy Commission continues in effect its delegation to the Electricity and Natural Gas Committee the authority to take, on behalf of the Energy Commission, all actions necessary and

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appropriate to comply with all applicable legal requirements, including but not limited to the Warren-Alquist Act, the Public Utilities Code, the California Environmental Quality Act, and the Act itself. This delegation also includes the authority to make future changes and revisions, substantive and non-substantive, to the Guidelines.

April 7, 2010

ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

\_\_\_\_//signed//\_\_\_\_  
KAREN DOUGLAS  
Chairman      Vice

\_\_\_\_//signed//\_\_\_\_  
JAMES D. BOYD  
Chair

\_\_\_\_//absent//\_\_\_\_  
JEFFREY D. BYRON  
Commissioner    Commissioner

\_\_\_\_//signed//\_\_\_\_  
ROBERT WEISENMILLER

\_\_\_\_//absent//\_\_\_\_  
ANTHONY EGGERT  
Commissioner